

May 28, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	June	Buy	897.50-898	906	893	Intraday

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News and Developments

- Spot gold prices edged higher yesterday and gained 0.7% while, silver prices rallied more than 4% amid weakness in dollar. Further, demand for safe haven increased on rising tension in Middle East after Israeli airstrike killed 45 people in a tent camp in the Gazan city of Rafah
- Dollar index slipped yesterday as investors remained cautious ahead of US, European and Japanese inflation data scheduled this week to get fresh cues on global interest rate outlook
- As per CME Fedwatch tool, expectations for Fed to cut rate in September rose to 62.7% from 61.6% a day ago while, prospects of no rate cut slipped to 37.3% from 38.4% a day ago
- Crude oil prices settled higher yesterday in muted trade owing to public holiday in US and UK. Further, investors remained cautious ahead of the upcoming meeting of the OPEC+ group of oil producers to see whether organization extend its voluntary output cut in second half of the year. Moreover, US Memorial Day long weekend marks the beginning of the driving season in the United States, which typically boosts gasoline demand
- Copper prices recovered yesterday amid weakness in dollar and rise in risk appetite in the global markets. Further, data showed China's industrial profits moved back into positive territory in April, signifying policies to bolster the economy were starting to take effect
- Aluminium futures rose buoyed by a price rally in key raw material alumina and weakness in dollar
- Natural gas prices moved higher as forecasts see hotter than seasonal temperatures coming for most states in US

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	72009	1.06%	2350.97	0.73%
Silver	94608	4.48%	31.63	4.52%
Copper	899.6	0.89%	10324.00	-0.90%
Aluminium	242.2	0.46%	2662.00	1.54%
Zinc	273.8	0.83%	3057.00	-0.18%
Lead	191.9	0.00%	2298.00	-0.35%
WTI Crude Oil	6547	1.17%	77.72	1.11%
US Nat Gas	210.7	-1.08%	2.52	-5.16%

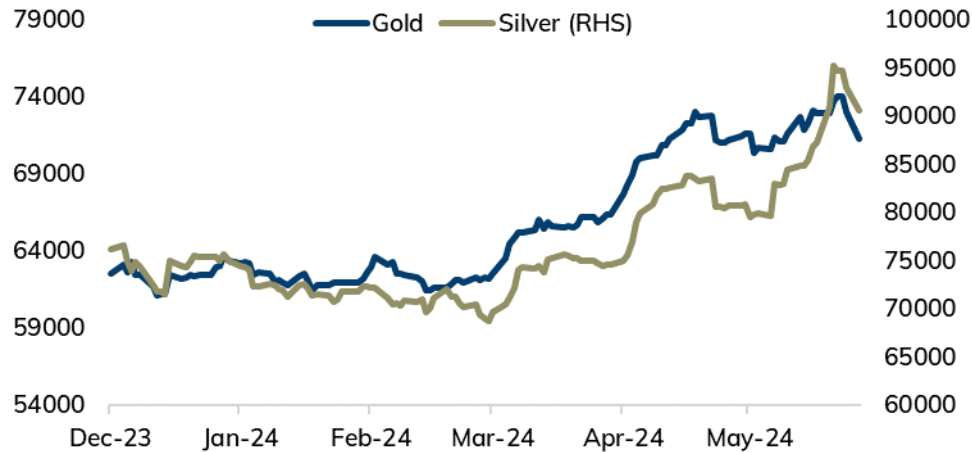
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th May)	83.14	-0.01%	2412210	-34083	235163	-78215
EURINR (29th May)	90.23	0.17%	19869	-1443	2616	-3566
GBPINR (29th May)	105.91	0.23%	13794	-278	3529	-5109

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	June	Buy	6440-6450	6600	6350	Not Initiated

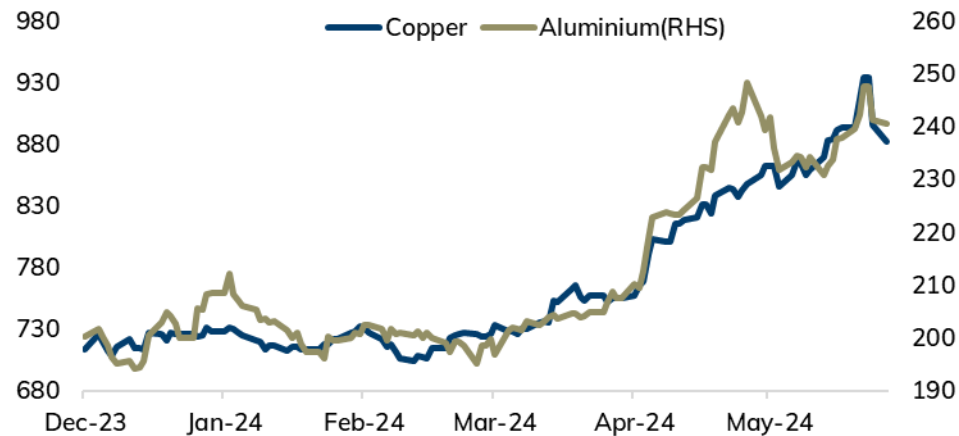
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to find support near \$2330 levels and rise further towards \$2365 level amid weakness in dollar and softening of US treasury yields. Further, demand for safe haven may increase on mounting tension in Middle East after Israel airstrike in the Gazan city of Rafah killed people in a tent camp. Investors fear that Rafah strike could hinder ceasefire talks. Moreover, expectation of disappointing economic data from US would support bullion prices to trade higher. Spot gold is likely to hold the support near \$2330 level and rise back towards \$2365 level. On Contrary, break below \$2330 level prices may slip towards \$2300 (50-Day EMA)
- MCX Gold June prices is likely to rise back towards 72,400 level (10-Day EMA) as long as it stays above 71,500 level. A break above 72,400 level prices may rise further towards 72,700 level.
- MCX Silver July is expected to follow gold and rise towards 96,100 level as long as it stays above 94,000 level

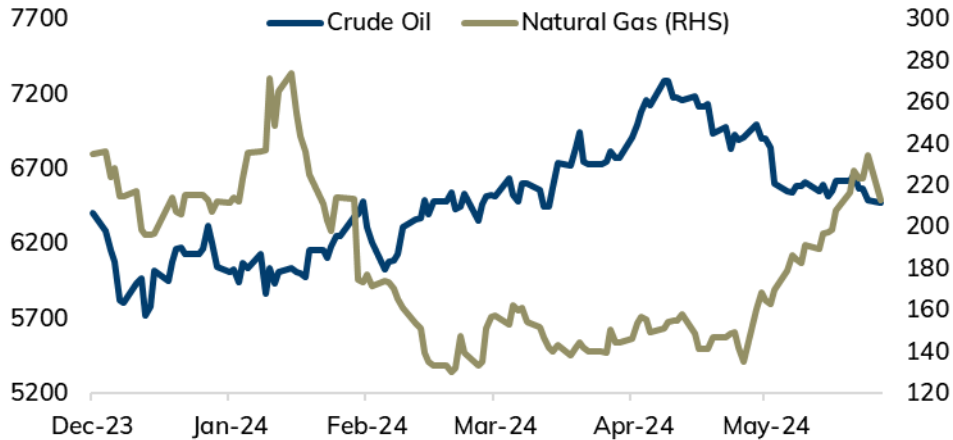
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with the positive bias amid weakness in dollar and optimistic global market sentiments. Further, improved data from China suggest that economic activity is gaining momentum and policies to bolster the economy were starting to take effect. Additionally, large cities in China are following the Government's pledge to support the struggling property sector which could strengthen the base metals rally. Moreover, expectation of improved housing data from US would support industrial metal prices
- MCX Copper is expected to rise further towards 910 level as long as it stays above 892 level. A break above 910 level prices may move further north towards 917 level
- Aluminum is expected to move north towards 245 level as long as it stays above 240 level (10-Day EMA). On contrary, break below 240 level prices may slip towards 238 level (20-Day EMA)

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to rise towards \$80 level amid weakness in dollar and rise in risk appetite in the global markets. Further, investors await inflation data from major western countries to assess future monetary policies. Moreover, market expects OPEC+ to extend its voluntary output cut of 2.2mbpd in second half of the year when it meets on June 2nd, even though organization stated it expects oil demand growth of 2.25 million barrels per day for 2024. Additionally, reports of death of Egyptian soldier caught by Israeli strikes close to Gazan city of Rafah would add risk premium on oil prices.
- MCX Crude oil June is likely to rise towards 6650 levels as long as it trades above 6450 level
- MCX Natural gas June is expected to rise back towards 242 level as long as it stays above 228 level. A break above 242 level will open doors for 248 level

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71194	71601	71864	72271	72534
Silver	90299	92454	93615	95770	96931
Copper	887.2	893.4	898.4	904.6	909.7
Aluminium	239.8	241.0	242.7	243.9	245.5
Zinc	267.0	270.4	272.6	276.0	278.3
Lead	190.7	191.3	192.0	192.6	193.3
Crude Oil	6431	6489	6527	6585	6623
Nat Gas	201	206	210	215	220

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	83.01	83.08	83.12	83.18	83.22
US\$INR (Jun)	83.09	83.15	83.19	83.25	83.29
EURINR (May)	89.98	90.11	90.18	90.30	90.37
EURINR (Jun)	89.54	89.94	90.19	90.59	90.84
GBPINR (May)	105.61	105.76	105.85	106.00	106.09
GBPINR (Jun)	105.52	105.70	105.80	105.98	106.08
JPYINR (May)	52.85	52.94	53.07	53.16	53.29
JPYINR (Jun)	53.51	53.61	53.81	53.91	54.11

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.60	104.72	-0.12%
US\$INR	83.14	83.10	0.05%
EURUSD	1.0859	1.0847	0.11%
EURINR	90.34	89.99	0.39%
GBPUSD	1.2769	1.2737	0.25%
GBPINR	106.04	105.61	0.40%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.033	7.046	0.00
US	4.465	4.422	0.01
Germany	2.547	2.583	-0.01
UK	4.261	4.232	0.01
Japan	1.025	1.005	0.02

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
5/22/2024	8:00 PM	1.8M	-2.4M
5/15/2024	8:00 PM	-2.5M	-0.4M
5/8/2024	8:00 PM	-1.4M	-1.0M
5/1/2024	8:00 PM	7.3M	-2.3M
4/25/2024	8:00 PM	-6.4M	1.6M
4/17/2024	8:00 PM	2.7M	1.6M
4/10/2024	8:00 PM	5.8M	0.9M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	112675	2650	2.41%
Aluminium	1124700	-3075	-0.27%
Zinc	257225	-400	-0.16%
Lead	198750	-3425	-1.69%
Nickel	83988	-54	-0.06%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, May 27, 2024						
1:30 PM	Europe	German ifo Business Climate	89.30	90.40	89.40	Medium
All Day	US	Bank Holiday	-	-	-	
Tuesday, May 28, 2024						
6:30 PM	US	S&P/CS Composite-20 HPI y/y	-	7.30%	7.30%	Medium
7:30 PM	US	CB Consumer Confidence	-	96.10	97.00	Medium
Wednesday, May 29, 2024						
11:30 AM	Europe	German Prelim CPI m/m	-	0.20%	0.50%	High
7:30 PM	US	Richmond Manufacturing Index	-	-2.00	-7.00	Medium
11:30 PM	US	Beige Book	-	-	-	Medium
Thursday, May 30, 2024						
2:30 PM	Europe	Unemployment Rate	-	6.50%	6.50%	Medium
6:00 PM	US	Prelim GDP q/q	-	1.30%	1.60%	High
6:00 PM	US	Prelim GDP Price Index q/q	-	3.10%	3.10%	Medium
6:00 PM	US	Goods Trade Balance	-	(-91.8)B	(-91.8)B	Medium
7:30 PM	US	Pending Home Sales m/m	-	0.10%	3.40%	High
8:00 PM	US	Natural Gas Storage	-	-	78B	Medium
8:30 PM	US	Crude Oil Inventories	-	(-2.0)M	1.8M	Medium
Friday, May 31, 2024						
7:00 AM	China	Manufacturing PMI	-	50.40	50.40	High
7:00 AM	China	Non-Manufacturing PMI	-	51.50	51.20	Medium
11:30 AM	Europe	German Retail Sales m/m	-	-0.2%	1.8%	Medium
2:30 PM	Europe	CPI Flash Estimate y/y	-	2.50%	2.40%	Medium
5:30 PM	India	GDP Growth Rate	-	6.7%	8.4%	High
6:00 PM	US	Core PCE Price Index m/m	-	0.20%	0.30%	High
7:15 PM	US	Chicago PMI	-	40.8	37.9	Medium



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